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Memorandum

To: Wyoming Business Council Board of Directors
From: Investments Team
Subject: Challenge Loan Reporting Requirements
Date: February 22, 2024

1. **Past Due Report.** Challenge Loan Policy requires quarterly reporting of all loans 30 days or more past due.

There are two (2) past due payments as of December 31, 2023:

Hay Growers:

- **David Walker** – The WBC spoke with Mr. Walker on August 17, 2023 and he is working on marketing his current Hay crop and will submit payment to Markee as soon as he has some sold. However, we have been unable to reach him since. We will continue to monitor and attempt to contact Mr. Walker again. The amount past due as of January 1, 2023 is \$4,859.13 (Annual payment plus \$231.39 late charge); loan balance is \$31,191.35

Beet Growers:

- **Brandy Pettet** – Mr. Sherman at Markee has sent out a 3rd late notice, but we have not heard anything from him to date. We will continue to monitor and attempt to contact Mr. Pettet. The amount past due is \$8,001.97 (2 annual payments plus \$381.05 late charge); loan balance is \$20,438.26. The loan originated on November 16, 2017 for \$25,000.00. The last payment was received on March 1, 2021.
2. **Loan Loss Reserve Analysis.** Challenge Loan Policy requires a review of all loans that are delinquent (over 30 days past due) and a specific reserve will be allocated if the review warrants. There will be an additional unallocated reserve of one-half of one percent of the total portfolio balance.

- The reserve is adequate with a balance of **\$794,295**. The allocation includes a 10% loan loss reserve for the Economic Disaster Loans originated, plus 0.5% of the total loan portfolio. The reserve does include a full allowance for Brandy Pettet (\$20,438.26), and David Walker (\$31,191.35).
- The resulting available fund balance in the Economic Development Fund is **\$12,753,250**.

3. **Charge off balances.**

- No charge offs this quarter.

4. **Other News.**

- **There are currently 92 active loans totaling \$10,643,325.**
- **The Basin Processing Succession Loan approved at the December board meeting was withdrawn by Security State Bank in Worland.**
- **The Division of Banking will be doing their annual audit of the Challenge Loan Program the week of March 11.**

Staff Recommendation:

- **Staff recommends acceptance of this report.**